Manitoba

Annual Report 1988 - 89

Manitoba Mediation Board

For the period ending March 31, 1989

91-01316/

Minister of Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
George Johnson
Lieutenant Governor for
the Province of Manitoba

Your Honour:

I have the honor to submit herewith the Report of the Manitoba Mediation Board for the period April 1, 1988 to March 31, 1989.

Your obedient servant,

Glen Findlay

Glen M. Findlay
Minister

Manitoba

Manitoba Mediation Board

600 – 491 Portage Avenue
Winnipeg, Manitoba, CANADA
R3B 2E4

Honourable Glen Findlay
Minister of Agriculture
165 Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Dear Mr. Findlay:

In accordance with the provisions of the Family Farm Protection Act, I have the honour to forward to you The Annual Report of the Manitoba Mediation Board for the fiscal year ending March 31, 1989.

Respectfully submitted,

William E. Harrison
Chairman
Manitoba Mediation Board

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Manitoba Mediation Board Membership
(as at March 31, 1989)

Name:		Place
William E. Harrison	Chairman	Holmfield
Owen McAuley	Vice Chairman	McAuley
Don Dewar	Member	Dauphin
Claudia Dumoulin	Member	Beausejour
Hugh Jameson	Member	Brandon
John Loewen	Member	Steinbach
Fred Reesink	Member	Sanford
Melvin Watt	Member	Reston
Glen Young	Member	Cypress River

Manitoba Mediation Board

Chairman's Remarks

The year 1988/89 was a busy and challenging one for the Manitoba Mediation Board. New applications were heavy and the Board continued to work on the backlog of cases carried over from the previous year. During the year many procedural reforms and changes were instituted to enhance the efficiency of the Board. A proper computerized cost accounting and case information system is being put together. The joint agreement with the Farm Debt Review Board was put in place. The Board did a comprehensive review of its Guidelines relating to the Guarantee Programs which resulted in needed changes being made.

All of these things have helped to make the Mediation process work better, and are helping Manitoba farmers and the business community through a difficult period in agricultural history. The increased acceptance of the Mediation process by farmers and creditors alike has been gratifying to the Board. This co-operation is paying dividends and will result in a healthier farm community.

William E. Harrison
Chairman
Manitoba Mediation Board

Board Operations

The Manitoba Mediation Board Members are responsible for reviewing and directing the policies and procedures of the Manitoba Mediation Board. The Board members also serve as Chairperson for every mediation panel and are responsible for co-ordinating all activities on each case.

In August of 1988 a new Board was put in place. The Board meets twice a month and has implemented programs directed towards improving the effectiveness and efficiency of the mediation process.

I. NEW PROGRAM DEVELOPMENT

A program was developed which will guarantee the farmer's loan payment, subject to annual review, and guarantee the Lender's security value at the same time.

This program is offered in cases where, through the process of debt settlement, the farmer would be able to attain viability but cannot obtain the financing which is necessary to execute the settlement. The guarantees provide a creditor with security and guaranteed cash flow, thus encouraging the provision of financing. The farmer receives the annual guarantee of loan payments which will be renewed for up to five years as long as the farmer adheres to a financial plan made by the farmer and the Board. The guarantee of security is for a five year term and does require annual renewal.

II. CHANGES TO EXISTING PROGRAMS

Changes were made to ensure that existing programs met their purpose by clarifying eligibility requirements. The Guarantee of Security Program was amended to allow the full amount of the guarantee to be put in effect at the time of settlement rather than incrementally over 5 years. The guarantee of loan payments now requires a negotiated concession if the Lender continues financing the farmer. By making the programs more responsive to Lenders' needs, more preferable settlements can be effected for the farmer. The Board keeps the emphasis of settlements on achieving and maintaining viability for the farmer.

III. JOINT OPERATIONS

The Manitoba Mediation Board joined its forces with the Federal Government's Farm Debt Review Board on all cases where a farmer concurrently applies to both Boards. On a joint case one fieldman would obtain all of the financial information and a three person panel comprised of members from both Boards would conduct the mediation. Costs are shared between the two Boards.

This process has cut costs considerably and has improved effectiveness by allowing each case to receive the full benefits from both Boards and by reducing stress and confusion which the duplication could have otherwise caused.

IV. PLANS IN PROGRESS

To identify the relevant results of the Manitoba Mediation Board activities and the operational costs, the Board has initiated a Data Base for recording pertinent information on the cases and a cost accounting program to determine costs of the various stages of mediation.

The Board also plans to hold professional enhancement seminars for the Mediation Board personnel to ensure that quality service continues to be provided.

Activities

The Board received 320 applications during the fiscal year ending March 31/89 of which 180 were voluntary applications (Part VI) from the farmer and 140 were Applications for Leave to realize on Real Property Security (Part III) from the Lender.

Although the number of new applications were approximately the same as in the previous fiscal year, the activity was much more involved. The Board had completed 356 applications in 1988/89 compared to 84 in 1987/88. This fiscal year was also the first year for reviewing the cases where the Manitoba Mediation Board guarantees were provided. In the upcoming year activity will remain brisk with the Board completing the existing applications, processing new applications and reviewing the first and second year of previous agreements. The review process will increase in activity until 1992/93 when the 5th and final review of the first settlements will be concluded.

Applications by Region

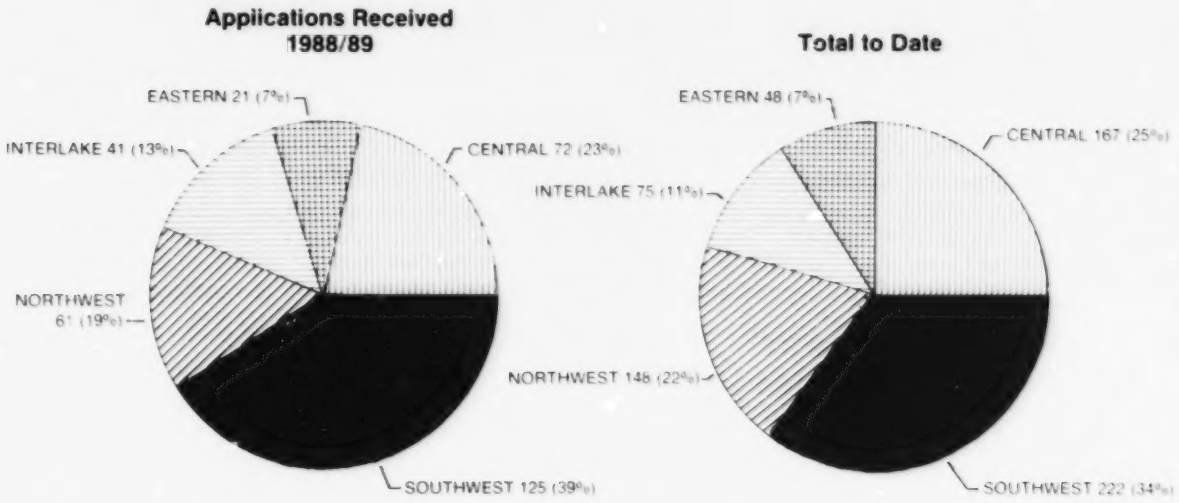

Table 1

Summary of Applications

		1988/89	1987/88
Applications carried forward from previous year		257	7
+	Applications Received	320	334
=	Total for Processing	577	341
—	Number of Applications completed	356*	84**
=	Number of Applications in various stages of mediation	221	257

* *Includes 42 Part VI applications that were transferred to Part III.*

** *Includes 11 Part VI applications that were transferred to Part III.*

Table 2

Results of Completed Cases

			1988/89		1987/88	
Number of Completed Applications			314		73	
Number — Mediation not desired			73		11	
				%		%
Number Cases Mediated			241	100	62	100
1) Settlements achieved	**88/89**	**87/88**	180	75	48	77
Farm retained	165	38				
Home site retained	15	10				
2) No Settlement Achieved			61	25	14	23

Table 3

Program Activity

Guarantee Approvals Provided in 1988/89

	Loan Payments	Lease Payments	Total Approvals
Yr. 1	691,356	264,378	1,193,464*
2	673,937	255,293	929,230
3	658,957	253,056	912,013
4	660,197	181,916	842,113
5	630,797	154,956	785,753
Total	3,315,244	1,109,599	4,662,573

Emergency Assistance Funds	—	$128,323.00
Guarantee of Security	—	$109,407.00
Guarantee of Security and Loan Payments all of which are included in the loan payments above*		$367,020.00*

The emergency assistance funds are paid within the first year of approval. The Guarantee of Security is a single sum appropriation made for a five year term.

The Board approves a guarantee of land and lease payments on a 5 year term, subject to an annual renewal.

Table 4

Program Expenditures

Actual Payments Made In 1988/89

Loan Payments	Lease Payments	Security	Emergency Assistance	Total
246,614	40,795	0	174,319	$464,085.00

Agreement Registry

The Board has received four agreements for registering in this fiscal year. Total agreements registered are eleven.